

U.S. DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
Washington, D.C. 20250

MANUAL ISSUE No.
WSDC SPECIAL
DATE
September 17, 2001

PROCEDURE NOTICE

RD MANUAL CHANGE

INSERT RD HANDBOOK HB-1-3565
(WSDC)

GUARANTEED RURAL RENTAL HOUSING
PROGRAM ORIGINATION AND SERVICING
HANDBOOK. The revisions are the

result of the Agency working in partnership with the lending industry in an effort to make the program more effective. Specific revisions are as follows:

Eliminate the requirement that borrowers be given 15 days to submit corrections to their applications (Paragraph 4.5 A.).

Eliminate the requirement for Federally recognized Indian tribes to submit Affirmative Fair Housing Marketing Plans (Paragraphs 4.9 B.1. and 4.12 E.). This change is being made because the Affirmative Fair Housing Marketing Plan is used to ensure compliance with the Fair Housing Act. HUD, which is responsible for enforcing the Fair Housing Act, does not require Federally recognized Indian tribes to submit Affirmative Fair Housing Marketing Plans.

Require State Clearinghouse comments or recommendations as part of the application package (Paragraph 4.9 B.2.).

Clarify that the SAUCE disc and hard copy is to be completed by RHS (Paragraph 4.9 B.2.).

Eliminate the requirement that loans involving interest credit be closed or have a conditional commitment in place by September 30 of the fiscal year in which the credit is awarded (Paragraph 4.10 C.).

Provides an updated Internet address for obtaining the current Applicable Federal Rate (Paragraph 4.10 D.).

Provides instructions for remitting the Guarantee Fee to the Finance Office (Paragraph 4.15 B.).

Provides instructions for the submission of Form RD 1980-19, Guaranteed Loan Closing Report, the Finance Office after the closing of a loan (Paragraph 4.18.).

(OVER)

RD MANUAL CHANGE

INSERT RD HANDBOOK HB-1-3565 (CON.)
(WSDC)

Permits a permanent guarantee to be issued even though the minimum occupancy level has not been reached provided borrowers establish a 2% operating reserve (Paragraph 4.20.).

Eliminate the requirement for a Proposed Lender's Certification to be submitted for OGC's review (Attachment 4-C, Item 8).

All of the pages and attachments in Chapter 4 are being replaced to correct formatting errors.

REMOVE

Table of Contents: Page 5-8;
Pages 4-1 through 4-22;
Attachments 4-A through 4-C;
Appendix 2.

INSERT

Table of Contents: Page 5-8 revised;
Pages 4-1 through 4-26 revised;
Attachments 4-A through 4-C revised;
Appendix 2 revised 09-17-01.

FORMS MANUAL CHANGE

INSERT

RD 1980-19

GUARANTEED LOAN CLOSING REPORT. The FMI is revised to add a reference to HB-1-3565 since this form is now being used by the Guaranteed Rural Rental Housing Program.

REMOVE

FMI dated 08-16-00:
Pages 1 & 2.

INSERT

FMI dated 08-16-00:
Pages 1 & 2 revised 09-17-01.